

**STATEMENT OF
MICHAEL J. SULLIVAN, ACTING DIRECTOR
BUREAU OF ALCOHOL, TOBACCO, FIREARMS AND EXPLOSIVES
BEFORE THE UNITED STATES SENATE
COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON COMMERCE, JUSTICE, SCIENCE,
AND RELATED AGENCIES**

April 19, 2007

Madam Chairman, Senator Shelby, and distinguished Members of the Subcommittee, I am pleased to appear before you for the first time to discuss the President's Fiscal Year (FY) 2008 budget request for the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF). I very much appreciate the Subcommittee's support of ATF and the interest you have taken in our mission and programs. Thanks to the leadership of this Subcommittee, and the dedication and diligence of the men and women of ATF, our efforts are producing real results that make our neighborhoods and country safer.

ATF'S MISSION

As you know, ATF is a principal law enforcement agency within the Department of Justice dedicated to reducing violent crime, preventing terrorism and protecting our Nation. The men and women of ATF perform the dual responsibilities of enforcing Federal criminal laws and regulating the firearms and explosives industries. The combined efforts of special agents and industry operations investigators allow ATF to effectively identify, investigate, and recommend for prosecution violators of Federal firearms and explosives laws; additionally, their teamwork enables ATF to ensure that licensees are operating within established laws and regulations. We are committed to pursuing our mission by working both independently and through partnerships with industry and other Federal, State, local and international law enforcement agencies.

ACCOMPLISHMENTS

Over the past fiscal year, ATF has initiated criminal investigations in the following areas:

- 29,166 firearms cases;
- 4,060 arson and explosives cases;
- 2,023 gang-related cases;
- 135 alcohol and tobacco diversion cases; and
- 47 explosives thefts, which included 3,977 pounds of explosives, 3,627 detonators and 25,107 feet of detonator cord.

In addition, in FY 2006, ATF conducted 12,148 inspections of Federal Firearms Licensees (FFL) and 6,392 inspections of Federal Explosives Licensees (FEL). We also processed:

- 401,792 National Firearms Act (NFA) weapons registrations;
- 284,443 firearms trace requests;
- 37,390 FFL applications and renewals;
- 5,524 FEL applications and renewals; and
- 11,001 import permit applications.

ATF also provided important training not only for our own personnel, but for our local, State, Federal and international law enforcement partners. For instance, in FY 2006, we provided training for 816 members of the international law enforcement community. We provided Project Safe Neighborhoods (PSN) training for 5,816 Assistant U.S. Attorneys, State and local prosecutors, State and local police officers and sheriffs, and ATF Special Agents. We also trained:

- Over 1,100 personnel, including 500 State and local investigators and bomb squad personnel, in explosives-related courses, including post-blast investigations;
- Over 700 explosives detection canine teams on peroxide-based explosives;
- 450 U.S. Marshal Court Security Officers on improvised explosive device (IED) familiarization and security; and
- 402 personnel in arson-related courses.

FY 2008 BUDGET REQUEST

For FY 2008, ATF requests \$1,013,980,000 and 5,032 positions, of which, 2,468 are agents. This request includes \$995,023,000 and 4,984 positions for current services and \$18,957,000 and 48 positions for program improvements.

The program improvements include \$8.9 million in increased funding for the successful PSN initiative, ATF's firearms trafficking enforcement teams, and participation in the National Gang Targeting, Enforcement, and Coordination Center (GangTECC). These programmatic increases would be an important investment in the pursuit of violent offenders and the reclamation of communities from the scourge of gangs, gun crime, and local, national and international gun trafficking organizations.

An additional \$10 million is being requested for continuation of our current explosives programs which will further fulfill our responsibilities under the Safe Explosives Act. These funds will ensure that explosives industry members continue to receive their licenses in a timely manner and will allow ATF to provide appropriate oversight concerning the safe and secure storage of explosives.

PROJECT SAFE NEIGHBORHOODS & ANTI-GANG EFFORTS

The FY 2008 budget request for ATF includes six additional FTE (12 positions) and \$2.2 million to enhance the Bureau's gang and firearms enforcement efforts supporting PSN nationwide. ATF will apply these resources to locations that have experienced an increase in firearms violence and will focus them on multi-defendant conspiracies and criminal organizations in an effort to take violent criminals off the street.

ATF has been the lead Federal law enforcement agency for PSN since its inception in May 2001, focusing on a wide range of firearms cases—those involving Racketeer Influenced Corrupt Organization (RICO) violations, firearms trafficking and the criminal possession of firearms by convicted felons and other prohibited persons. As the only Federal agency that focuses primarily on violent crime and the regulation of commerce in firearms and explosives, ATF exercises unique statutory authority over the “tools of the trade” that make gangs a threat to public safety.

Nearly 2,000 of ATF's special agents are exclusively dedicated to investigating violent crime and gangs. These agents work closely with State and local law enforcement to investigate the most egregious violent criminals and violent criminal organizations. This strategy is employed effectively through ATF-led Violent Crime Impact Teams (VCIT), which are currently deployed in 25 cities across the nation. During FY 2007, this number will expand by 5 additional cities bringing the total number to 30. In addition, ATF participates with State and local police and other Federal agencies on 110 anti-gang task forces.

This past year ATF aggressively investigated and made significant strides in combating violent gangs. In FY 2006:

- 2,023 gang-related cases were initiated by ATF—an increase of 157 percent from 2002, the first full year of PSN;
- 1,680 defendants referred by ATF in gang-related cases were convicted—an increase of 289 percent from 2002; and
- 779 defendants in gang-related cases were sentenced, with an average sentence of 107 months.

An outstanding example of our anti-gang efforts is Operation Mano Dura, an investigation of the MS-13 gang conducted by our Baltimore Field Division. Those indictments included charges of various RICO predicate acts, including seven homicides and numerous other shootings, beatings and other violent crimes in aid of racketeering. To date, 15 of the defendants have been convicted and 12 are awaiting trial. Nine of these defendants are eligible for the death penalty.

Another noteworthy example is the arrest and indictment of 13 members of the MS-13 street gang in January following a year-long joint investigation by ATF and the Nashville Metropolitan Police Department. During the investigation, information was developed linking Nashville-based MS-13 members and associates with seven shootings, three alleged murders, several planned murders, threats, intimidation and many other

significant violent crimes, all of which occurred in 2006. The defendants were indicted on RICO charges. Several of these defendants also are eligible for death sentences.

The President has identified violent street gangs as a national problem and has instructed the Department to institute strategies to address this problem. ATF has been successful in targeting high crime areas and dedicating investigative, inspection, analytical and technological resources to reduce violent crime. Through these strategies, ATF and the Department are acting decisively to demonstrate to the American public that Federal law enforcement agencies are working strategically to investigate, reduce and prevent violent crime. The additional PSN funds we are requesting will build upon proven, successful tactics: integrating regulatory enforcement, aggressive investigation techniques and the utilization of technology to impact violent crime.

ATF also is requesting two positions, two agents, and \$373,000 to dedicate to GangTECC. Established by the Attorney General, this new national anti-gang force serves as a coordinating center for multi-jurisdictional gang investigations involving Federal law enforcement agencies. It also provides a clearinghouse for gang-related intelligence data, assists in developing a refined understanding of the national gang problem, proposes appropriate countermeasure strategies, and supports the National Gang Intelligence Center. Currently, three ATF special agents are supporting GangTECC. These agents are facilitating the coordination of overlapping racketeering investigations and ensuring that tactical and strategic intelligence is shared between law enforcement agencies. Moreover, an ATF agent is currently serving as the initial Deputy Director of GangTECC. GangTECC provided important assistance in the aforementioned arrests and indictments of the Nashville-based MS-13 gang members. Specifically, it facilitated communications among the various law enforcement agencies involved in the case, arranged for other Federal agents to support the investigation as needed, and arranged an urgent translation and transcription of communications that were garnered through undercover operations.

FIREARMS TRAFFICKING

Street gangs are often involved in firearms trafficking in order to supply guns to gang members and criminals in furtherance of drug trafficking and in the commission of other violent firearms-related crimes. To successfully fight violent crime, it is essential to prevent the illegal flow of firearms to criminals. ATF's firearms trafficking interdiction efforts advance this goal by identifying and arresting those persons who illegally supply firearms to gang members and prohibited persons such as felons and juveniles.

ATF is requesting 34 positions, of which all are agents, and \$6.3 million to expand its domestic firearms trafficking enforcement efforts along the Southwest Border and nationwide to target efforts on certain gun trafficking corridors. With this funding, ATF will establish investigative teams that will be devoted to firearms trafficking interdiction efforts in areas of the country with the highest levels of out-of-State guns recovered in crimes.

ATF will use its analytical resources to strategically deploy these teams. To date, ATF has determined that the following routes are significant regional, national and international trafficking corridors:

- The Southwest Border;
- The I-95 corridor between Miami and Boston;
- Northern rural Mississippi to Chicago;
- Northern Indiana to Chicago;
- The triangle between Los Angeles, Las Vegas and Phoenix; and
- Birmingham to Chicago.

Several of these trafficking routes impact not only local and regional crime patterns, but also have international significance, affecting our neighbors in Canada and Mexico, as well as other Central and South American nations.

In FY 2006, 1,526 ATF-referred defendants in firearms trafficking cases were convicted. This represents an increase of 166 percent from 2002, the first full year of PSN.

A noteworthy example of a firearms trafficking case is Operation Flea Collar, a complex, 2-year undercover investigation during which ATF learned that two suspected traffickers were purchasing firearms at an FFL in Alabama and then selling them at flea markets and gun shows in northern Alabama. Further investigation identified unlicensed firearms dealers at those flea markets. It also revealed a recurring scheme whereby gang members or their designees were routinely dispatched to the Alabama flea markets and gun shows to purchase firearms in bulk for use by various street gangs. Ultimately, ATF agents estimated that the various suspects had sold thousands of firearms over the last several decades. At least 12 of the trafficked firearms have been associated with homicide investigations, including one linked to the attempted murder of a Chicago police officer. Many of the trafficked firearms also have been linked to robberies, assaults, drug crimes and sex crimes throughout the United States. The firearms have been recovered in numerous States, including Alabama, California, Georgia, Illinois, Maryland, Michigan, New York, South Carolina, Tennessee, Texas and Washington, DC. Operation Flea Collar concluded with the seizure of 556 firearms and the arrest of 18 individuals on charges stemming from the illegal sale of firearms without a license and the illegal sale of firearms to convicted felons and out-of-state residents. All 18 suspects have been convicted and sentenced, and the investigation is ongoing.

Another example of a significant trafficking case involved guns and drugs moving between West Virginia and New York City. In 2004, our Wheeling Field Office opened a firearms trafficking investigation of two corrupt pawn dealers located in Fairmont, West Virginia. During the course of these investigations, special agents uncovered an interstate conspiracy to traffic crack cocaine in Fairmont and illegally traffic firearms to New York City. This investigation resulted in the Federal conviction of three individuals for conspiracy and three other persons for Federal firearms and narcotics charges.

One final noteworthy example of a firearms trafficking case involved members of the “Bloods” street gang in New Jersey arranging for students at Wilberforce University in Ohio to conduct straw purchases of firearms in Ohio and transport them to New Jersey. The gang members who received the firearms used them for an assortment of violent crimes in New Jersey, including a drive-by shooting, armed robbery, crack cocaine distribution and an attempted home invasion. This 2-year investigation resulted in the conviction of 12 defendants for Federal firearms violations for trafficking 146 firearms.

ATF is attempting to balance the resources it devotes to fighting violent crime and addressing the supply of firearms to criminals. Successfully tackling the problem of firearms trafficking requires a comprehensive effort and a multifaceted approach utilizing court-authorized electronic surveillance, undercover operations, source development and cooperation with other law enforcement entities in order to be truly effective in shutting down illegal firearms markets.

OTHER PROGRAMS AND ACTIVITIES

In addition to PSN and firearms trafficking enforcement, ATF has other significant operations that are essential to carrying out our mission. Our law enforcement and regulatory responsibilities require ATF to maintain a host of efficient and effective activities, programs and facilities. I would like to take this opportunity to highlight a few important initiatives.

Firearms Enforcement and Investigation

In response to firearms trafficking and related violence on both sides of the border with Mexico, ATF has developed a Southwest Border Initiative. This initiative coordinates the resources of ATF’s Dallas, Houston, Los Angeles and Phoenix Field Divisions, as well as Violent Crime Impact Teams (VCIT) in Laredo, Houston, Albuquerque and Tucson. The initiative focuses regional and cross-border violence and firearms trafficking by employing geographic targeting, partnerships, technology and training. In addition to working with local law enforcement, ATF also is collaborating closely with Immigration and Customs Enforcement (ICE) and Mexican officials. In fact, ATF meets regularly with its U.S. and Mexican law enforcement partners to discuss strategies, share intelligence, and initiate cooperative efforts to combat crime along the southwest border. One important effort we are undertaking through partnership with the Mexican government is ensuring that U.S.-sourced firearms recovered in Mexico are properly identified, documented and submitted to ATF for tracing. ATF uses the trace results to identify and investigate firearms traffickers who illegally divert firearms to drug traffickers. To this end, we will deploy across Mexico our eTrace system, an Internet-based system for submitting firearms trace requests.

In order to reduce violent crime, ATF has and will continue to develop technology to assist law enforcement at all levels. Through our National Integrated Ballistic Information Network (NIBIN), ATF deploys automated ballistics comparison equipment

to participating Federal, State, and local law enforcement forensics laboratories—230 sites in total—which provides the ability to identify ballistic links between crimes that might not otherwise be connected. As of December 2006, NIBIN had nearly 1.25 million images of casings and bullets in its database with nearly 19,000 “hits.” NIBIN has many success stories, including a recent one from Buffalo, New York. In this case, the ballistics evidence gathered at eleven separate shooting scenes between June 2003 and October 2006 was linked to a single .45 caliber handgun using the NIBIN ballistic imaging system at the Erie County Forensic Laboratory. On November 13, 2006, the Buffalo Police Department executed a narcotics search warrant and recovered narcotics, firearms and ammunition. A recovered firearm was processed by the Erie County Laboratory and identified as the handgun used in the eleven shootings.

Explosives and Arson

ATF’s arson and explosives National Response Teams (NRT) provide expert assistance at the scenes of significant fire or explosives incidents. The NRT is comprised of veteran special agents with expertise in conducting post-blast investigations and determining the origin and cause of fires. In addition, the NRT is supported by all of ATF’s arson and explosives assets, such as the Fire Research Laboratory (FRL), accelerant detection canines and audit services. In 2006, the NRT was deployed 17 times. For example, in February 2006, it was deployed to assist in the investigation of nine fires that occurred in churches in western Alabama. After a month of intense investigation, three suspects were arrested for the church fires.

ATF’s technical expertise is also evidenced by our three state-of-the-art forensic laboratories and one-of-a-kind FRL. In FY 2006, our National Laboratory Center in Amundson, Maryland, added DNA analysis capability to its already impressive collection of forensic tools. The FRL, also located at our National Laboratory Center, has the capability of simulating fire scenarios approaching a quarter-acre in size, under controlled conditions, allowing for detailed analysis. It is the only such facility in the United States dedicated to providing case support in fire investigations using forensic fire science.

The U.S. Bomb Data Center (USBDC) is the Department’s comprehensive repository of data pertaining to arson and explosives incidents. The information within the USBDC is accessible to our law enforcement partners and can be analyzed to determine trends, patterns, criminal methodologies, and, in some cases, suspects. The USBDC contains more than 140,000 records. Law enforcement officials can query the characteristics of an explosive device and match it to others with similar characteristics. USBDC houses several databases, including the Bomb and Arson Tracking System (BATS), which facilitates and promotes the collection and dissemination of data among local law enforcement on arson and explosives incidents, and DFuze, which allows international law enforcement agencies to compare and exchange information on incidents within their jurisdictions. The USBDC has adopted a new “Concept of Operations” to guide it into the future. Under this plan, USBDC will become a Center of Excellence, hosting not only law enforcement officials, but also members of the

intelligence community as well as representatives from academia and industry. USBDC will continue to consolidate all explosives incidents information and databases in an effort to be the “one-stop shop” for explosives incident information.

Our regulatory responsibilities include enforcement of the Safe Explosives Act of 2002, which mandates a field inspection on all original and renewal applications for explosives licensees or permittees. Because most licenses and permits expire every 3 years, ATF is mandated to perform one inspection per licensee/permit user every 3 years. Over 5 billion pounds of explosives are manufactured, imported and sold annually in the United States. ATF uses existing resources to ensure that all violations noted in such inspections are appropriately resolved. ATF also will continue to investigate all reported explosives thefts, respond to and investigate bombings and other explosives incidents, and assist local, State and other Federal agencies with explosives related issues.

Sharing Our Expertise through Partnerships and Training

We are committed to pursuing our mission by working both independently and through partnerships with industry and other Federal, State, local and international law enforcement agencies. For instance, our “Don’t Lie for the Other Guy” program is a partnership with the National Shooting Sports Foundation which helps educate FFLs on how to identify and prevent straw purchases of firearms. We also have partnered with The Fertilizer Institute to launch voluntary campaigns to raise awareness of the sale, security, storage, and transportation of ammonium nitrate, the substance that was mixed with fuel oil in the Oklahoma City bombing. In addition, ATF has maintained outstanding relationships with a number of influential professional organizations including the International Association of Chiefs of Police, the International Association of Bomb Technicians and Investigators, the National Sheriffs’ Association, Major Cities Chiefs Association, and the National Bomb Squad Commanders. ATF also has collaborative research partnerships with the U.S. Army Engineer Research and Development Center; Oak Ridge and Lawrence Livermore National Laboratories; the University of Missouri, Rolla; and the University of Massachusetts, Lowell. Moreover, ATF closely and regularly collaborates with the Departments of State, Defense and Homeland Security; and other components of the Department of Justice. We also work with INTERPOL and EUROPOL; and representatives of foreign governments, including the United Kingdom, Mexico, Colombia, Israel and Canada.

At ATF’s Canine Training Center in Front Royal, Virginia, ATF trains explosives detection and accelerant detection canines for use by Federal, State, international and local law enforcement and public safety officials. ATF is committed to ensuring that DoJ’s canines conform to applicable ATF standards. In order to keep canine capabilities able to meet current threats, ATF has initiated a program to offer advanced training in the detection of organic peroxide-based explosives to law enforcement canine teams. At the request of the National Bomb Squad Commanders Advisory Board, ATF developed National Odor Recognition Testing to verify that explosives detection canines meet a national standard. During FY 06, the project certified approximately 150 non-DOJ

canine teams, and has already certified 124 canine teams in FY 07. In addition, ATF has trained more than 350 explosives detection canines in 16 countries.

With respect to training, the National Center for Explosives Training and Research (NCETR) offers numerous advanced courses related to explosives disposal and post-blast investigation techniques. NCETR provides training for State, local and international law enforcement, the U.S. Department of State and all branches of the Armed Forces. It also provides training for Army explosives units prior to their deployment in Iraq. NCETR has trained almost 6,000 bomb technicians and investigators in explosives disposal and investigative techniques. Each year, requests for explosives-related training have increased, and present demand exceeds our capability. The FY 2006 Conference Agreement (P.L.109-108) directed ATF to plan for the construction of a permanent facility co-located with other law enforcement and Federal government entities that provide similar training and research. Subsequently, we have selected a site at Redstone Arsenal in Alabama. To date, ATF has received a letter of intent memo from Redstone Arsenal for a commitment of resources, such as ranges, classrooms, explosives storage bunkers, land to build an administration/classrooms building and housing billets. ATF also has an interagency agreement with the Army Corps of Engineers (COE) for design and planning of the NCETR. This planned permanent facility for NCETR will promote efficiency by consolidating other Department of Justice and Department of Defense explosives training and research in one location. These collective resources will provide a unique opportunity to leverage assets, knowledge and expertise in the field, providing Federal, State, local and international law enforcement explosives expertise in one location.

Alcohol and Tobacco Diversion

ATF also combats the illegal diversion of alcohol and tobacco products by criminal gangs, organized crime, and terrorist groups. The illicit sale of these commodities causes a substantial loss of excise tax revenue to both the Federal and State governments. Moreover, there have been instances in which terrorist groups are using proceeds from tobacco trafficking to finance their organizations and activities. By utilizing the Contraband Cigarette Trafficking Act, RICO, wire fraud, mail fraud, and money laundering statutes, ATF has built complex cases against individuals who have used proceeds from the illegal trafficking of cigarettes to fund organized crime and terrorism. ATF's investigations into illicit trafficking of tobacco products and enforcement of existing statutes continue to become more refined. In FY 2002, 18 defendants were convicted on tobacco diversion-related charges. Every year since, there has been an increase in the number of defendants convicted of these crimes as a result of ATF's efforts. In FY 2006, 108 defendants were convicted of tobacco diversion-related offenses as a result of ATF's work—that is a 600 per cent increase in defendants convicted over a 5-year period. ATF will continue to fight the illicit trafficking of both alcohol and tobacco products, whether the means of illicit trafficking are more traditional in nature or contemporary such as Internet sales.

International Programs

In addition to the training NCETR provides to Army explosives units prior to their deployment to Iraq, ATF is lending its expertise to U.S. efforts in Iraq in a variety of ways. Since March 2005, ATF has deployed Special Agent Certified Explosives Specialists and Explosives Enforcement Officers to support the Iraq Combined Exploitation Cells (CEXC) within the U.S. Military Central Command. ATF explosives experts provide onsite investigative assistance in processing post-blast incidents directed at U.S. and allied forces and we also provide post-blast training for the Iraqi National Police. In addition, ATF employs explosives detection canine teams in Iraq and throughout the Middle East—these teams often are directly responsible for locating hidden explosives and weapons in enforcement actions conducted by host governments against terrorist groups. Moreover, ATF has special agents assigned to the Regional Crimes Liaison Office and the Major Crimes Task Force in Iraq to assist in the investigation and prosecution of war crimes and other criminal activity. ATF will establish a temporary duty presence of four ATF agents at the new U.S. Embassy in Baghdad later this year.

Finally, ATF is a managing partner in the Terrorist Explosive Device Analytical Center (TEDAC). This joint DOJ-DOD program is housed at the FBI Laboratory in Quantico, Virginia, with an ATF special agent serving as the Deputy Director. At the TEDAC, ATF and other partners analyze IEDs from Iraq and Afghanistan in an effort to identify bombers and prevent further attacks. TEDAC's evaluation of terrorist IED components to identify similarities and its collection of latent prints and DNA from those devices helps identify bombing suspects and provides vital intelligence to military and law enforcement officials.

CLOSING

Chairman Mikulski, Senator Shelby, distinguished Members of the Subcommittee, on behalf of the men and women of ATF, I thank you and your staff for your support of our crucial work. While the list of ATF programs and facilities I have noted today is far from comprehensive, it is intended to provide the Subcommittee with a sampling of the depth and breadth of our activities.

ATF is protecting the American public from the threats of violent crime and terrorism. As noted previously, we initiated over 2,000 gang-related cases in FY 2006. That is an increase of over 157 percent from 2002, the first full year of PSN. We will continue to enforce the Safe Explosives Act and provide the education and regulatory oversight to an industry that manufactures, imports, and sells over 5 billion pounds of explosives every year. ATF will continue to investigate incidents involving nearly 4,000 pounds of stolen explosives, and we will continue to inspect approximately 12,000

Federal Explosives Licensees and Permittees. We also will continue to share our expertise with our partners and provide invaluable training in a number of areas, including courses on post-blast investigative techniques and courses for explosives detection canine teams.

With the backing of your Subcommittee, ATF can continue to build on these accomplishments, making our nation even more secure. The \$2.2 million we have requested to expand PSN and the \$6.3 million to establish firearms trafficking teams are two important investments in this cause. We look forward to working with you in pursuit of our shared goals.